
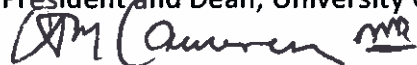




University of Connecticut
Office of the President

Philip E. Austin
*Interim President and
University Professor*

To: Higher Education Committee
Public Health Committee
Finance Revenue and Bonding Committee
Appropriations Committee

From: Philip E. Austin, Interim President, University of Connecticut 
Cato Laurencin, M.D., Ph.D., Vice President and Dean, University Of
Connecticut School of Medicine 

Date: January 19, 2011

CC: Joann Lombardo, University of Connecticut Health Center

Re: Progress on the John Dempsey Hospital Construction and Renovation
Project and the Establishment of the University of Connecticut Health
Network

We are writing pursuant to the reporting requirement of Section 15 of Public Act 10-104, AN ACT ESTABLISHING THE UNIVERSITY OF CONNECTICUT HEALTH NETWORK AND CONNECTICUT BIOSCIENCE INITIATIVE. This section requires the University of Connecticut to report to the joint standing committees of the General Assembly having cognizance of matters relating to higher education, public health, finance, revenue and bonding, and appropriations on the progress of the UConn health network initiatives and the University of Connecticut Health Center (UCHC) new construction and renovation. As you know, PA 10-104 outlined a plan for the future of the UCHC and its John Dempsey Hospital (JDH), the state's only public academic medical center and only public hospital. It also established the UConn Health Network, a set of regional/community healthcare initiatives and collaborations and created bioscience zones in certain cities and towns in the state. The authorization of \$240 million in state bond funds for the projects enumerated in the act is contingent upon receipt, no later than June 30, 2015, of \$100 million in non-state funds.

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CONSTRUCTION OF NEW BED TOWER AND RENOVATIONS AT JDH

The UCHC construction and renovation project as outlined in the legislation refers to the planning, design, development, financing, construction, renovation, furnishing, equipping, and completion of clinical, academic, and research space in JDH. The project includes the construction of a new bed tower, increasing by 10 the number of JDH's licensed beds for a total capacity of 234 licensed beds, and partial renovation of the existing JDH facility. PA 10-104 anticipates the regionalization of Neonatal services, enabling JDH to increase its medical surgical bed capacity. (See details below.)

The UCHC construction and renovation project was added to the list of enumerated UConn 2000 infrastructure improvement projects, and \$207 million in new bonding was authorized. As noted, the issuance of these bonds is contingent on the receipt of \$100 million in non-state money. The act also reallocated \$25 million of existing UConn 2000 authorizations to pay for the planning and design costs associated with the JDH construction and renovation project. This reallocation and associated planning and design expenditures are not contingent on the receipt of the \$100 million in non-state money.

Status of Construction of New Bed Tower and Renovations at JDH:

- Planning and Design: Programming and Master Planning for the project began in October 2010 and is projected to be completed in February 2011. Schematic Design will begin in the spring of 2011, and full design is anticipated to be complete in 2012.
- \$100 million in Non-State Funds: On October 4, 2010, the UCHC submitted an application for a competitive grant to the United States Department of Health and Human Services Department's Health Resources and Services Administration (HRSA) to secure \$100 million in federal funds to satisfy the non-state funds requirement of the legislation. On Wednesday, December 29, 2010, the UCHC was informed that another institution would receive the grant. The grant would have immediately provided the \$100 million in non-state funds required to leverage the State's financing for the renewal of JDH and the UConn Health Network initiatives. The University is evaluating other options for securing this funding and expects to meet with Governor Malloy's administration and the leadership of the cognizant committees of the General Assembly early in 2011.

REGIONALIZATION OF NEONATAL INTENSIVE CARE SERVICES

The plan embodied in the legislation called for the UCHC and Connecticut Children's Medical Center (Connecticut Children's) to apply jointly to the state's Office of Health Care Access (OHCA) for a Certificate of Need (CON) that would allow for the license transfer of UCHC's forty Neonatal Intensive Care (NICU) and Special Care Nursery beds to Connecticut Children's and the addition of ten medical-surgical beds to UCHC's current licensed bed count.

Status of Regionalization of Neonatal Intensive Care Services:

- On November 5, 2010, the UCHC and Connecticut Children's filed a joint CON application to OHCA, and on December 15, 2010, OHCA approved the CON application as outlined above.
- Pursuant to Section 10(a) of PA10-104 UCHC and Connecticut Children's jointly notified the Secretary of the Office of Policy and Management on January 4, 2011 of progress to date. In light of the HRSA decision, UCHC and Connecticut Children's requested additional time before finalizing the plan to transfer the NICU beds and requested an opportunity to discuss the timeline with the new Administration.

UConn Health Network Initiatives

PA 10-104 authorizes the issuance of up to \$30 million in state general obligation bonds and Public Act 10-179 authorizes the issuance of up to \$3 million in state general obligation bonds to fund UConn Health Network initiatives. The initiatives include: a Simulation Center at Hartford Hospital, a Regional Primary Care Institute at St. Francis Hospital, the Institute for Clinical and Translational Sciences, a Regional Comprehensive Cancer Network, a Health Disparities Institute in Hartford, a Cancer Treatment Center at Hospital of Central Connecticut, the Connecticut Institute for Nursing Excellence at the UConn School of Nursing, Patient Room Renovations at Bristol Hospital, purchase of equipment for electronic medical records and access to remote treatment and training centers at Charter Oak Health Center, Inc. and Community Health Services, Inc. (both in Hartford), and renovations and repairs at the Hispanic Health Council, Hartford.

Status of the UConn Health Network Initiatives:

- The issuance of the bonds for these projects is contingent on the receipt of the \$100 million in non-state funds. Until the matching funds are secured, the bond funds for these projects cannot be allocated.

Bioscience Initiative

While not a part of the UConn Health Network, PA 10-104 also creates the establishment of bioscience zones in the City of Hartford, parts of Bristol, Farmington and New Britain. The governing bodies of the cities and towns are required to submit certain documentation (resolution approving the zone and a mylar map) to the Department of Economic and Community Development (DECD) in order for the zones to take effect.

Status of Bioscience Initiative Implementation:

- Hartford is preparing their resolution approving the zone and their mylar map, Bristol has submitted their resolution approving the zone and their mylar map is in process, Farmington has approved their resolution approving the zone and their mylar map is in process and New Britain has submitted their resolution approving the zone and their mylar map. For more information contact Joe Oros, Legislative Liaison, DECD at 860-270-8186.

NEXT STEPS

As previously stated, the University is now seeking to identify alternative sources for the funding needed to proceed with our plans for JDH's renewal and the establishment of the UConn Health Network. We are encouraged by Governor Dannel Malloy's recent statement immediately following the announcement of HRSA's decision last month, indicating that a renovated and expanded UCHC is critical to the economic revival of central Connecticut and would clearly benefit the State from both a public health and an education standpoint. We are grateful for the Governor's decision to explore options to fund this critical project and for tasking his staff to propose innovative and alternative ways in which to move this project forward.

The University remains committed to the plan embodied in PA 10-104 and looks forward to working with the Governor, the General Assembly, and our many community and business supporters as we seek ways to proceed with the renewal of the John Dempsey Hospital and implementation of the UConn Health Network.